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HOTELS & RESORTS

Testimony of

Chris Tatum
Area General Manager
Marriott Resorts Hawaii

Bill 31 (2017):
Determining the Real Property Tax Rates
for the City and County of Honolulu

Council Chair Ron Menor and Members of the Honolulu City Council:

We are submitting testimony in opposition of Bill 31 (2017): Determining the Real Property Tax Rates for the City and County of Honolulu. In particular, we oppose the proposal to raise the current hotel and resort real property tax rate by 50 cents from the current \$12.90 per \$1,000 of assessed value to \$13.40 per \$1,000. The hotel and resort tax rate classification is presently the highest class in the City and County of Honolulu.

- Real Property Tax Assessments for 2017/2018 Fiscal year have increased 10% to 15%
- A \$0.50 increase in the rate is an additional increase of 3.9%

The hotel industry cannot afford to continue passing on increased taxes to the visitors of our beautiful Hawaiian islands. According to HVS, in 2014 and 2015, the State of Hawaii ranked #1 in state lodging tax collection and #2 in lodging tax revenue growth in 2015.

Tourism must remain a vital component benefiting the State of Hawaii in sustaining our competitive advantage by marketing the tremendous value of Hawaii, the culture of its people, and the unique environment and physical attributes of our islands. These increased costs make Hawaii less desirable in our highly competitive world-market which directly affects jobs and wages for the hard working residents of Hawaii who are the employees working in our hotels.

Our responsibility is to create good jobs and long term employment to perpetuate our unique Hawaiian culture and to ensure that our local communities and families have the opportunity for a thriving and vibrant future.

Mahalo for the opportunity to offer this testimony.

MISC. COM. 1296

Council